

USHE 1.5% Budget Reduction Impact

Fiscal Year 2018-2019

The Executive Appropriations Committee (EAC) asked all appropriations subcommittees to review fiscal year 2019 base budgets as part of the ongoing efforts of the Legislature to encourage public and higher education and state agencies to find efficiencies within their existing base budgets and determine if state tax funds could be reallocated to address current year budget priorities. As a result, the Higher Education Appropriations Subcommittee has recommended to EAC that the Utah System of Higher Education (USHE) institutions and Commissioner's Office reduce 1.5% of the FY19 state tax funds base budget as outlined in S.B.1.

In calculating the higher education reduction, the Legislative Fiscal Analyst (LFA) recommended the following three prong approach: first, state tax funds would be reduced by an amount equivalent to 1% of the annual average tuition waived over the last three years; second, state tax funds would be reduced by 0.5% from E&G or other line items greater than 5% of the institutions overall funding; and finally targeted reductions in the New Century Scholarship program, Utah Academic Library Consortium, and Campus Compact programs. The calculation resulted in a state tax funds reduction of \$14,244,700 across USHE. In the case that the Legislature supports the reduction of the fiscal year 2019 base budget as outlined below, we would ask that institutional leadership be given the discretion and flexibility to implement strategic reductions based on areas of least impact, similar to the guidance given to the Utah System of Technical Colleges.

Institution	FTE Positions	Faculty & Staff	Operating Expenses	Total Reduction	% Base Reduction
UU	26	\$2,500,000	\$640,100	\$3,140,100	-1.0%
USU	39	\$2,970,800	\$1,055,000	\$4,025,800	-2.0%
WSU	23	\$1,385,616	\$4,084	\$1,389,700	-1.7%
SUU	16	\$700,000	\$346,200	\$1,046,200	-2.7%
SC	11	\$249,200	\$30,000	\$279,200	-1.2%
DSU	8	\$615,000	\$100,800	\$715,800	-2.0%
UVU	15	\$1,198,153	\$750,647	\$1,948,800	-1.8%
SLCC	11	\$858,600		\$858,600	-0.9%
SBR			\$840,500	\$840,500	-1.9%
Total	149	\$10,477,369	\$3,767,331	\$14,244,700	-1.5%

The Higher Education Appropriations Subcommittee has asked the USHE institutions and Commissioner's Office to provide a brief explanation on how the 1.5% reduction would affect each of them respectively. In summary, the reduction will impact approximately 149 faculty and staff full-time equivalent employees in the amount of \$10,477,369 and general operating expenses of \$3,767,331.

In addition, to the state tax funds reduction, it is important for legislators to recognize that the required reduction in tuition waivers offered to students will not result in a dollar for dollar increase in tuition revenue collections for the institution. Many of the students who will no longer receive a tuition waiver, may decide to no longer attend

the USHE institution due to financial constraints that the increased cost would cause. For example, providing a non-resident student with a non-resident portion waiver (reducing to resident tuition or 1/3 the cost) may be the main reason why the student enrolled. Doing away with the waiver may financially prohibit the student from attending at all, thus the institutions would lose the resident portion of tuition, and possibly housing and food services revenue.

Budget Reduction Impact by Institution

To minimize the negative impact on institution stakeholders, strategic reductions in programs and expenses across each institution will be considered.

University of Utah

Faculty and Staff Positions in the E&G and School of Medicine lines, Equipment and Software: \$3,140,100

- 15 full-time faculty (\$1,500,000 wages and benefits)
- 11 support staff (\$1,000,000 wages and benefits)
- Negative impact on graduation and retention rates due to reduced services, fewer course offerings and scheduling challenges
- Elimination and continued delay for instructional equipment and software replacement (\$640,100), lengthening the implementation schedule for automating processes, efficiencies, security, predictive analytics, and resource reallocation to enhance institution outcome performance
- Slow progress towards the institutions four goals of:
 - Promote student success
 - Develop and transfer new knowledge
 - Engage communities to improve health and quality of life
 - Insure the long-term viability of the university

Utah State University

Faculty, Staff, Expense, Water Research, Agriculture, and Coop. Extension: \$4,025,800

- 38 faculty and staff E&G FTE positions from all impacted line items (\$3,424,600 wages and benefits)
- Reduction in E&G operating expense by 0.5% (\$400,000)
- 1 FTE Faculty USU Eastern (\$60,300 wages and benefits)
- Reduction in Agriculture Experiment Station awards (\$65,600)
- Reduction for Extension (\$75,300)

Weber State University

Faculty and Staff Positions: \$1,389,700

- 23 full-time employees
 - 6 full-time faculty positions (\$614,383 wages and benefits)
 - 4 academic support staff (\$184,139 wages and benefits)

- 3 enrollment services staff (\$127,230 wages and benefits)
- 4 facilities management staff (\$171,104 wages and benefits)
- 2 information technology positions (\$94,159 wages and benefits)
- 1 position each in university advancement (\$46,739 wages and benefits), public safety (\$37,625 wages and benefits), financial services (\$45,237 wages and benefits), and student affairs (\$65,000 wages and benefits)
- Reduce President's office current expense budget (\$4,084)

Southern Utah University

Staff Positions, Program Closures, and Compensation: \$1,046,200

- 7 staff positions (\$400,000 wages and benefits)
- Program closure 3 FTE Faculty and 2 adjunct faculty (\$346,200 wages and benefits)
- Specific compensation reductions for select employees - 5 FTE (\$300,000)

Snow College

Adjunct Instruction and Faculty Development: \$279,200

- Reduce the number of adjunct instructors (\$242,300)
 - This will have a negative impact on graduation and retention rates and will impact the institution by reducing the number of courses offered to students by approximately 64-107 courses. The course reductions would be prioritized based on enrollment in those course with the greatest need to help students graduate
- Reduce the operating expenses of Career & Technical Education (\$6,900)
- Faculty development would also be reduced (\$30,000), which is used to enhance their teaching abilities and improve the quality of instruction in the classroom

Dixie State University

Faculty and Staff Positions: \$715,800

- 3 full-time faculty (\$250,000 wages and benefits)
 - There would be a negative impact to graduation and retention rates as well as the institutions ability to best serve the emerging workforce needs of its community. This will result in the delayed development of new academic programs to meet the labor force demands of a rapidly growing southern Utah region. The capacity of existing programs would also be constrained, limiting the overall enrollment growth of the institution
- 4 full-time staff (\$300,000 wages and benefits)
- Reduction in adjunct faculty and part-time staff positions (\$65,000)
- Reduction in operating expenses including professional development for faculty and staff (\$100,800)

Utah Valley University

Faculty and Staff Positions, Operating Expense, Financial Aid, Application Fee, and Program Closures: \$1,948,800

- Impose a hiring “chill” to identify and reduce 3 faculty positions and 9 staff positions (\$869,994 wages and benefits)
- Reduce operating expense budget by 1% (\$314,285)
- Reduce financial aid awards (\$200,000)
- Increase application for admission fees by \$5 from \$35 to \$40 (\$140,558)
- Eliminate 2 programs: unmanned aircraft and legal assistance impacting 3 full-time faculty (\$423,963 wages and benefits and operating expense)

Salt Lake Community College

Faculty and Staff Positions: \$858,600

- 4 full-time faculty (\$365,000 wages and benefits)
 - This will have a negative impact on graduation and retention rates by eliminating twenty course sections
- Reduction in full and part-time student advisors (\$155,000)
- Reduction in operating expense for student affairs (\$10,000)
- Elimination of institutional support positions including (\$328,600 wages and benefits):
 - 3 facilities staff
 - 1 information technology staff
 - 1 institutional research staff
 - These reductions will have an impact on student persistence, completion outcomes, course availability, academic planning, front-line student services, and data requests

State Board of Regents

New Century Scholarship, Library Consortium, Campus Compact, Operating Expenses: \$840,500

- Reduction in New Century Scholarships that can be supported annually (\$509,900)
- Reduction in Utah Academic Library Consortium operating expenses used to support journal purchases (\$84,900)
- Reduction from full-time to part-time support for Campus Compact program (\$43,400)
- Reduction in general operating expense across all other line item and programs, including reduction in grant awards for pass through programs, WICHE scholarship support, institution reimbursement for Hearing Impaired, and Higher Education Technology funds (\$202,300)